

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT (CORRECTED)
LB561

Hearing Date: Monday February 01, 2021
Committee On: General Affairs
Introducer: Briese
One Liner: Rename and change powers and duties of the State Racing Commission, change keno provisions, and provide for sports wagering and change regulation and enforcement of gambling activities at licensed racetrack enclosures

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye:	7	Senators Arch, Brandt, Brewer, Briese, Cavanaugh, J., Groene, Wayne
Nay:	1	Senator Lowe
Absent:		
Present Not Voting:		

Oral Testimony:

Proponents:

Senator Tom Briese
Lynn McNally
Brendan Bussmann
Breann Becker
Dennis Lee

Representing:

Introducer
Nebraska Horseman's Association
Global Market Advisors
President, Fair Play Park
Chair, Nebraska Racing Commission

Opponents:

Representing:

Neutral:

Tom Sage

Representing:

Executive Director, Nebraska Racing Commission

Summary of purpose and/or changes:

LB 561 is a companion bill to LB 560. LB 561 renames the State Racing Commission to the State Racing and Gaming Commission, provides regulatory authority over games of chance authorized under the Nebraska Racetrack Gaming Act, change provisions relating to wagering on horseracing and penalties, raises the age of wagering on horseracing from nineteen (19) to twenty-one (21), replaces outdated terminology to make current with industry standards, provides authority to pass directives, and harmonizes the provisions within the State Racing Commission statutes with the Nebraska Racetrack Gaming Act.

Explanation of amendments:

LB 560 was amended by AM 278 and AM 119 and then was amended into LB 561 as Committee Amendment 426.

LB 560 is a bill to bring the necessary statutory structure to enact the voter initiative language that was approved in the

November 2020 General Election. This bill combines the Nebraska Gaming Commission created by the voter initiative with the State Racing Commission so that The Nebraska Racing and Gaming Commission can administer both gaming and horseracing regulatory authority. It creates a number of powers and duties for the Commission and it provides for specific penalties for violating the act, specifically for criminal activity such as counterfeiting and cheating at casinos. LB 560 includes necessary definitions and language to properly regulate and implement the Gaming Act as passed by the Nebraska voters.

AM 278 is a committee amendment that strikes original section 13 of the bill. It also creates the Racetrack Gaming Fund for the administration of the Racetrack Gaming Act. This amendment also makes a very small technical change to the definition of "Authorized sporting event" in the bill, without changing the definition.

Committee Vote to amend AM 278 into LB 560

Yes 8: Senators Arch, Brandt, Brewer, Briese, J. Cavanaugh, Groene, Lowe, and Wayne

No 0: None

AM 119 was also adopted by the committee. This bill makes changes to the Nebraska County and City Lottery Act to allow keno to be played on an electronic ticket as well as paper tickets. Payment for these electronic games is limited to cash, coins, a debit card, or a direct link to an account with a financial institution in the name of the player, and credit cards are not accepted at all. Any purchase of a ticket for a keno game, electronic or in paper, can only be made in person at the location of the lottery operator or licensed location. Reasonable safeguards must be approved by the department to ensure that electronic tickets are only accessible to individuals nineteen years of age or older, and only within the confines of the location detection procedures which establish permitted boundaries for play. Additionally, an easy and obvious method for a player to make a complaint must be posted at the location where the licensed operator is selling keno tickets.

Committee vote to amend AM 119 into LB 560:

Yes 7: Senators Arch, Brandt, Brewer, Briese, J. Cavanaugh, Groene, and Wayne

No 1: Senator Lowe

Public Hearing Testimony on Bills Contained in AM 426

LB 560 Testimony -

Proponents:

Senator Tom Briese, Introducer

Lance Morgan, CEO, Ho-Chunk, Inc.

Lynn McNally, Executive Vice President of Horseman's Benevolent and Protection Association

Chris Kotulak, CEO, Fonner Park

Brian Chamberlain, Winnebago Tribal Council

Tom Jackson, Columbus Exposition and Racing

Bill Harvey, Legal Counsel, Big Red Keno

Breann Becker, President, Fair Play Park in Hastings

Brendan Bussman, Global Market Advisors

Dennis Lee, Chairman, Nebraska State Racing Commission

Tom Sage, Executive Director, Nebraska State Racing Commission

Opponents:

Nate Grasz, Nebraska Family Alliance
Tom Osborne, self
Loretta Fairchild, self
Glen Andersen, self
Pat Loontjer, Gambling with the Good Life

Neutral: None

Committee Vote to amend LB 560 as amended into LB 561:

Yes 6: Senators Briese, Brandt, Brewer, Cavanaugh, J., Groene, Wayne

No 2: Senators Arch, Lowe.

On March 29, 2021, a hearing was held on AM 639 to LB 561. AM 639 takes the place of AM 119 (above), resulting from the division of LB 561 on general file.

Proponent Testimony:

Bill Harvey, General Counsel for Big Red Keno
Rich Severson, Finance Director and City Treasurer for the City of Bellevue
Joe Kohout, Representing the United Cities of Sarpy County
Rick Hoppe, City Administrator for the City of Ralston
Michael Nevridy, Keno Operator
Jack Cheloha, City of Omaha

Opponent Testimony:

Nate Grasz, Nebraska Family Alliance
Pat Loontjer, Gambling with the Good Life
Al Riskowsk, Nebraska Family Alliance

No Neutral Testimony

Letters for the Record:

Proponent:

Doug Kindig, Mayor of LaVista
Lynn Rex, The League of Nebraska Municipalities

Neutral:

Paul Shoemacher, Former Member of the Legislature

Tom Briese, Chairperson